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LB 724A, 724

SENATOR WICKERSHAM: Thank you, Mr. Speaker. This is a bill...or an A bill that funds an extra staff person for NPERS to implement the changes in LB 724. LB 724 is a bill which will allow participants in the School Employees Retirement System, not the Omaha system but the State system, to purchase up to five years of creditable service if they reach an agreement to retire within one year. It's anticipated that that would cause a significant increase in the inquiries of the system concerning potential retirement benefits if a person did purchase five years of creditable service, what the creditable service would cost, the payment arrangements, et cetera. We've had that experience with past changes in the retirement systems that have allowed for some latitude, either in an increase in benefits or other changes that people want analyzed, particularly as they become...as they come closer to a retirement age. We've already had a significant number of inquiries concerning the impact of the bill on individual retirement accounts. That will probably increase. The proposal in the A bill is to just staff the position for two years, and the proposal before you is to staff that position for two years only because the system is undergoing a review of its data processing systems. It is undergoing a review of its inquiries...processing of inquiries and responses to beneficiaries. It is hoped that over the two years that this bill provides funding, that the agency will, in fact, find efficiencies in its operations and not find it necessary to continue the staffing level that we're authorizing in this A bill. It does not have a General Fund impact. It is derived entirely from an expense fund paid for by the retirement systems themselves so, again, it does not have a General Fund impact, and it is a temporary staffing for two years to meet the impact...potential impact of additional inquiries if LB 724 passes.

SPEAKER WITHEM: Senator Kristensen...Senator Wickersham. Senator Kristensen, if you'd like to speak on this bill, you may, but I meant Senator Wickersham. I'm sorry. Senator Wickersham waives closing. The question is, shall LB 724A be advanced? All in favor vote aye, opposed vote nay. Record.

CLERK: 30 ayes, 0 nays, Mr. President, on the advancement of LB 724A.